

Message Text

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ACTION EA-06

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC PRIORITY 1474

C O N F I D E N T I A L TOKYO 14905

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LIMDIS

FOR EA/J PLATT FROM SELIGMANN

E.O.11652: GDS

TAGS: MARR JA

1. SEPTTEL REPORTS THE CURRENT STATE OF PLAY IN OUR LABOR-COST
,3&958-589, . THE COMMENT WAS ADDED BOTH IN LIGHT OF OUR GENERAL
FEEL FOR THE SITUATION AND IN CONSIDERATION OF PRIVATE
CONVERSATIONS WITH KITAMURA AND YUKIO SATO, WHICH THEY ASKED
THAT I NOT DIVULGE. IN THE FIRST MENTION OF A FIGURE TO DROP
FROM JAPANESE LIPS IN DISCUSSIONS WITH US, SATO TOLD ME AT A
PARTY SEPTEMBER 22 THAT SIX BILLION WAS ABSOLUTELY OUTSIDE LIMIT
FOR JAPANESE SIDE AND HE WAS NOT SURE HE COULD GET FULL
ACCEPTABNCE WITHIN THE GOJ FOR THIS--HE WAVED AT ME DRAFT
JUSTIFICATION HE HAD WITH HIM, WHICH WAS STILL BEING THRASHED
OUT AMONT GOJ AGENCIES. IN REGARD TO THE TWO POINTS IN
JAPANESE PAPER ON SOFA WHICH I REFUTED ON THE SPOT, SATO
SAID THESE WERE "WELL TAKEN," HINTING THAT JAPANESE POSITION
WOULD BE BASED ON THESE "OUTS" FROM PRECEDENT
INTERPRETATIONS. IN RETURN, I SAID THERE WAS MUCH ELSE
IN OUR LABOR COST STRUCTURE THAT WAS FAR FROM "NORMAL,"
BUT JAPANESE SIDE IS NOT PREPARED TO ACCEPT THIS--THEY
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ARGUE, FOR EXAMPLE, THAT TEN-PERCENT DIFFERENTIAL IS
INDEED NORMAL, INASMUCH AS YEARS AGO WE DID NOT MAKE
ANY DISTINCTION WHEN WE LUMPED IT IN WITH BASE PAY. SATO
SAID AS FAR AS HE WAS CONCERNED WE HAD NOW COMPLETED
RITUAL OF TABLING RESPECTIVE SOFA POSITIONS, AND WE
COULD GET ON WITH JOB. LATEST JAPANESE PAPER HAD BEEN
NECESSARY "PROTECT-ONE'S REAR" EXERCISE IN ORDER TO
ESTABLISH RECORD AGAINST FUTURE DIET INQUISITION.

ALTHOUGH HE AND KITAMURA HAD EARLIER TAKEN KINDLY TO
IDEA OF BRINGING IN ONE OR TWO US LEGAL EXPERTS, THEY
NOW SAY THIS WOULD NOT BE PRODUCTIVE, INASMUCH AS GOJ
SIDE IS NOT CONFRONTED WITH LEGAL PROBLEM SO MUCH AS
PRECEDENTS AND INTERPRETATIONS ON RECORD.

2. ABOUT ONLY ADDITIONAL HOPEFUL NOTE I HAVE BEEN ABLE
TO EXTRACT FROM MOFA DIRECTLY RELATED TO LABOR COSTS WAS
POSITIVE RESPONSE FROM SATO TO PITCH THAT WHATEVER
SOLUTION IS ARRIVED AT THIS ROUND, PUBLIC STATEMENTS,
INCLUDING DIET INTERPRETATIONS, BE DESIGNED TO KEEP DOOR
OPEN FOR ADDITIONAL RELIEF IN FUTURE--WE HAVE NOTED, FOR
EXAMPLE, THAT SIX BILLION YEN WOULD NOT AMOUNT TO MUCH
MORE THAN ANNUAL PAY INCREMENT. SATO WAS CONCERNED,
INCIDENTALLY, LEST MINISTER MIHARA MIGHT HAVE GOTTEN
SECRETARY BROWN'S HOPES UP IN THEIR REQUEST
CONVERSATION, WHEN HE COMMENTED IN REGARD TO LABOR
COSTS, "MAEMUKI KENTO ITA SHIMASU"--"I WILL GIVE IT
FORWARD-LOOKING CONSIDERATION"--WHICH APPARENTLY GOT
TRANSLATED AS "I WILL DO MY BEST" OR SOME SUCH, IN WHAT
SATO PORTRAYED AS A POTENTIAL MISUNDERSTANDING OF THE
"ZEHSO ITASHIMASU" (FAVORABLE CONSIDERATION) OF TEXTILE
NEGOTIATIONS. (WE HAVE SEEN NO RECORD OF MIHARA'S
CONVERSATIONS OTHER THAN WITH SECRETARY VANCE, AND
CANNOT JUDGE.)

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3. IN ANY EVENT, IT WOULD BE USEFUL TO HAVE READING AS
TO HOW DOGGEDLY WE SHOULD HOLD OUT FOR MORE THAN SIX
BILLION. AS I SEE IT, THERE WILL NOT BE MUCH POINT IN
DOING SO FOR LONG UNLESS WORKING-LEVEL EFFORTS ARE
REINFORCED BY HIGH-LEVEL POLITICAL DEMARCHE HERE AND/OR
IN WASHINGTON. RECOGNIZE THAT MUCH WILL DEPEND ON
OTHER ELEMENTS OF ANY JAPANESE PROPOSAL, NOTABLY THOSE
RELATED TO FACILITIES, BUT YOU MIGHT WANT AT LEAST TO
START THINKING ALONG THESE LINES IN VIEW OF TIGHT DEAD-
LINE WE WILL SOON BE FACING.

4. WE REST WITH YOUR JUDGMENT AS TO SHARING THIS MESSAGE,
BUT WOULD NOT WANT IT BANDIED WIDELY ABOUT THE CIRCUIT.
MANSFIELD

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